

April 12, 1983

LB 396

in this budget, we cut back what little property tax relief we had in our special session last year and as a result of that I think that you and I are destined to have real trouble with our voters in terms of changes to our Constitution. So I would suggest that you give serious consideration to a . . . instead of repealing the general homestead exemption, increasing it to 60 million dollars, it does mean we will have to increase our sales and income tax rate a bit to cover that cost but it provides genuine property tax relief to the persons who need it the most, the homeowners.

PRESIDENT: Senator DeCamp.

SENATOR DeCAMP: Mr. President, this year in almost all of the bills we deal with on the budget and everything else, we have one proposal after another that increases the property tax, that tries to buy our way out of our financial problems in the state by increasing the property tax. As this bill exists now, without the Vard Johnson amendment, that is what it is. It says we are going to take a couple million off of sales and income or save ourselves there and we add it directly penny for penny right on to property. So I think we are going to have to do something. I encourage support of the amendment.

PRESIDENT: Senator Lamb.

SENATOR LAMB: Mr. President and members, I would ask the sponsors where is this money to come from?

SENATOR V. JOHNSON: (mike not activated) . . . Lamb, I will respond, it will come from the Nebraska sales and income taxes.

PRESIDENT: Is there further discussion?

SENATOR LAMB: Yes, I would discuss that a little bit more. What are your projected rates for sales and income tax?

SENATOR V. JOHNSON: I can't tell you what my projected rates are, I believe the Governor's projected rate is a 3½% sales tax and a 20% income tax if this particular measure were to pass. If everything else held constant, we undoubtedly would be at a 3 3/4% sales tax and a 21% income tax.

SENATOR LAMB: How does this dovetail into the proposal that the Revenue Committee is now working on that I understand is having some, or print outs made and so forth?